



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7**

11201 Renner Boulevard
Lenexa, Kansas 66219

JUL 22 2016

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Article Number: 7014 1200 0000 6124 1937

Mr. Dennis W. McKinney
Senior Director, Corporate EHS and Global Citizenship
Fortune Brands
520 Lake Cook Road, Suite 400
Deerfield, Illinois 60015-5611

RE: Former Waterloo Industries Facility, Waterloo, Iowa
EPA ID No. IAD005277959

Dear Mr. McKinney:

The U.S. Environmental Protection Agency Region 7 is providing this letter to outline its expectations regarding the implementation of corrective action at the above-referenced facility.

Remedy Implementation Plan. Within 30 days of receipt of this letter, Fortune Brands, corporate successor to Waterloo Industries, Inc., will submit a Remedy Implementation Plan fully describing the performance standards/goals, design, installation, testing and operation of the dual-phase vacuum extraction system and the sub-slab depressurization system specified in the Final Remedy Decision and Response to Comments dated June 14, 2016. The EPA may approve, disapprove, require revisions to, or modify the draft RIP. If the EPA provides written comments on the RIP, the parties may convene to discuss the scope of the comments. Upon agreement by the parties, Fortune Brands will resubmit the RIP within 10 days of the parties' verbal agreement. The RIP will serve as a functional equivalent to a Corrective Measures Implementation Work Plan. The RIP shall include the following:

- A plan for testing the ambient air and exhaust from the dual-phase vacuum extraction system during start-up and performance optimization of the system; comparing this data to the appropriate health-based standards; modifying the system's design and/or its operation to mitigate any unacceptable risks to the public, if necessary, based on the air sample results; and sharing the air sample results with the public.
- A plan for long-term operation and maintenance of the dual-phase vacuum extraction system and the sub-slab depressurization system.
- A groundwater remedy performance monitoring program to assess and monitor remedy performance, as described in the FD/RTC, including a Sampling and Analysis Plan and Quality Assurance Project Plan. The SAP and QAPP may take the form of an addendum to the existing EPA-approved SAP and QAPP for groundwater sampling to describe any changes or additional requirements beyond the scope of the existing documents.
- A schedule for remedy implementation.

RCRA



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Financial Assurance Cost Estimate. Within 30 days of the receipt of this letter, Fortune Brands will submit a cost estimate of the work to be performed. The EPA may approve, disapprove or require revisions to the cost estimate. If the EPA provides written comments on the cost estimate, the parties may convene to discuss the scope of the comments. Upon agreement by the parties, Fortune Brands will resubmit the cost estimate within 10 days of the parties' verbal agreement.

Financial Assurance. Within 30 days of the EPA's verbal or written approval of the cost estimate (whichever occurs first), Fortune Brands will establish financial assurance in the amount approved by the EPA. Specifically, the EPA expects that Fortune Brands will establish and maintain financial assurance in the form of either a surety bond with a standby trust fund, a letter of credit with a standby trust fund or a trust fund funded for the entire amount of the cost-estimate. The EPA may not be listed as a beneficiary of the instrument and therefore, the financial instrument should designate a third party beneficiary to take over the work in the event of a default by Fortune Brands. The EPA will work with Fortune Brands to develop appropriate language for the financial assurance instrument with a third party beneficiary. Once the EPA approves the language for the instrument, Fortune Brands will submit a copy of the agreed-upon instrument to the EPA within 60 days of approval. In addition to the initial financial assurance package, the EPA is requesting that Fortune Brands establish a schedule for submitting the annual cost estimate as well as any other reporting requirements under those provisions. Annual adjustments to the cost estimate for remedy implementation should be adjusted annually for inflation (40 CFR § 265.144).

Environmental Covenant. Within 30 days of receipt of this letter, Fortune Brands will submit a draft Environmental Covenant which conforms with the Iowa Uniform Environmental Covenants Act addressing the activity and use limitations described in the FD/RTC. The EPA may approve, disapprove, require revisions to, or modify the draft Environmental Covenant submitted to the EPA. The parties may confer and discuss the EPA's comments. Upon agreement of the parties, Fortune Brands will appropriately record the Environmental Covenant in the proper jurisdiction and provide a copy of the recorded instrument to the EPA within 10 days of recording.

In sum, the RIP shall adequately document the scope of work required to implement the selected remedy described in the FD/RTC, provide a cost estimate for the work with a commitment to establish financial assurance described above and a commitment to update the financial assurance annually, and include a draft Environmental Covenant.

Please note, that in an effort to expedite corrective measure implementation, the EPA is offering Fortune Brands the opportunity to address CMI through this voluntary process rather than through the issuance by EPA of a RCRA Order. If Fortune Brands declines this voluntary approach, or if the work and/or time-lines set forth in this letter are not adhered to by Fortune Brands, the EPA may revoke this voluntary process and avail itself of its enforcement authorities.

If you have any questions, please contact Dan Gravatt of my staff at (913) 551-7324 or at gravatt.dan@epa.gov. The EPA appreciates Fortune Brands' cooperation in this matter.

Sincerely,



Becky Weber

Director

Air and Waste Management Division

cc: Sarah Sullivan, Esq., Stinson Leonard Street LLP
Amie Davidson, IDNR

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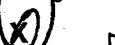
Mr. Dennis W. McKinney
Corp. Dir. Environmental, Health & Safety
Fortune Brands Home and Security
25300 Al Moen Drive
North Olmstead, Ohio 44070

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PS Form 3811, July 2013

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PS Form 3800, August 2006

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PS Form 3800, August 2006 (Reverse) PSN 7530-02-000-9047